

Dennis L. Roossien, Jr. (Texas Bar No. 00784873)  
**MUNSCH HARDT KOPF & HARR, P.C.**  
500 N. Akard Street, Suite 3800  
Dallas, TX 75201-6659  
Telephone: (214) 855-7535  
Email: [droossien@munsch.com](mailto:droossien@munsch.com)

Neil A. Kaplan (Utah Bar No. 3974)  
Admitted *pro hac vice*  
Keith M. Woodwell (Utah Bar No. 7353)  
Admitted *pro hac vice*  
**CLYDE SNOW & SESSIONS**  
One Utah Center, Suite 2200  
201 South Main Street  
Salt Lake City, Utah 84111-2216  
Telephone: (801) 322-2516  
Email: [nak@clydesnow.com](mailto:nak@clydesnow.com)  
[kmw@clydesnow.com](mailto:kmw@clydesnow.com)

*Attorneys for Defendant Francisco Story*

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**IN THE UNITED STATES DISTRICT COURT**  
**FOR THE SOUTHERN DISTRICT OF TEXAS**

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COMMODITY FUTURES TRADING  
COMMISSION,

Plaintiff,

v.

MARCUS TODD BRISCO, YAS  
CASTELLUM LLC, YAS CASTELLUM  
FINANCIAL LLC, TIN QUOCK TRAN,  
FRANCISCO STORY, FREDIRICK  
SAFRANKO, a/k/a TED SAFRANKO,  
SAEG CAPITAL GENERAL  
MANAGEMENT LP, and MICHAEL  
SHANNON SIMS,

Defendants.

**DEFENDANT FRANCISCO STORY'S  
ANSWER TO COMPLAINT**

Civil No. 4:23-cv-00336

Honorable Lee H. Rosenthal

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Defendant Francisco Story (“**Story**”), by and through his undersigned counsel, hereby answers the Complaint for Injunctive Relief, Civil Monetary Penalties, Restitution, and Other

Equitable Relief (the “**Complaint**”) filed by the Commodity Futures Trading Commission (the “**Commission**”) as follows:

The paragraph numbers in this Answer correspond to the paragraph numbers of the Complaint and respond to the allegations of that paragraph, up to the Affirmative Defenses section. To the extent that the headings in the Complaint outside of the numbered allegations are intended to be allegations as opposed to mere argument, Story denies them. To the extent that Story has not specifically admitted any allegation in the Complaint, the allegations are hereby denied.

### **I. SUMMARY**

1. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 1 and, on that basis, denies.

2. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2 and, on that basis, denies.

3. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 3 and, on that basis, denies.

4. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 4 and, on that basis, denies.

5. Story denies that he knowingly submitted falsified bank statements to the NFA for Tran-Pool 1 accounts during an examination of SAEG Capital General Management LP (“**SAEG GM**”). Story also denies that he altered Tran-Pool 1’s bank statements. Story admits the remaining allegations in Paragraph 5 and affirmatively alleges that he reasonably relied upon the representations of the other defendants that the information Story was providing to the NFA was accurate.

6. Paragraph 6 contains legal conclusions to which no response is required. To the extent a response is required, Story denies that he engaged in violations of 7 U.S.C. § 13(a)(4). Story lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 6 and, on that basis, denies.

7. Paragraph 7 contains legal conclusions to which no response is required. To the extent a response is required, Story admits that the acts and omissions alleged were committed within the scope of his employment, agency, or office with SAEG GM. Story lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 7 and, on that basis, denies.

8. Paragraph 8 contains legal conclusions to which no response is required. To the extent a response is required, Story denies that he was a controlling person of SAEG GM. Story lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 8 and, on that basis, denies.

9. Deny.

10. Paragraph 10 contains a request for relief to which no response is required. To the extent a response is required, Story denies.

## **II. JURISDICTION AND VENUE**

11. Paragraph 11 contains a legal conclusion to which no response is required. To the extent a response is required, Story denies.

12. Paragraph 12 contains a legal conclusion to which no response is required. To the extent a response is required, Story denies.

13. Paragraph 13 contains a legal conclusion to which no response is required. To the extent a response is required, Story denies.

### **III. THE PARTIES**

#### **A. PLAINTIFF**

14. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 14 and, on that basis, denies.

#### **B. DEFENDANTS**

15. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 15 and, on that basis, denies.

16. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 16 and, on that basis, denies.

17. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 17 and, on that basis, denies.

18. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 18 and, on that basis, denies.

19. Story admits that he is a resident of Draper, Utah. Story admits that he was registered as an AP of SAEG GM. Story affirmatively alleges that he withdrew his registration as an AP of SAEG GM on March 7, 2023. Story denies the remaining allegations in Paragraph 19.

20. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 20 and, on that basis, denies.

21. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 21 and, on that basis, denies.

22. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 22 and, on that basis, denies.

#### **IV. FACTS**

##### **A. YAS 1'S AND BRISCO'S FRAUDULENT SCHEME**

###### **i. Yas 1's and Brisco's Fraudulent Solicitation**

23. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 23 and, on that basis, denies.

24. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 24 and, on that basis, denies.

25. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 25 and, on that basis, denies.

26. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 26 and, on that basis, denies.

27. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 27 and, on that basis, denies.

28. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 28 and, on that basis, denies.

29. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 29 and, on that basis, denies.

30. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 30 and, on that basis, denies.

31. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 31 and, on that basis, denies.

32. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 32 and, on that basis, denies.

33. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 33 and, on that basis, denies.

ii. **Neither Brisco Nor Yas 1 Directed Funds to Any Firm That Trades Forex or XAUUSD, and Sims Aided and Abetted Brisco's and Yas 1's Fraudulent Scheme**

34. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 34 and, on that basis, denies.

35. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 35 and, on that basis, denies.

36. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 36 and, on that basis, denies.

37. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 37 and, on that basis, denies.

38. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 38 and, on that basis, denies.

39. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 39 and, on that basis, denies.

40. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 40 and, on that basis, denies.

41. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 41 and, on that basis, denies.

42. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 42 and, on that basis, denies.

43. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 43 and, on that basis, denies.

**iii. Yas 1 Provided Pool Participants With False Account Statements**

44. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 44 and, on that basis, denies.

45. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 45 and, on that basis, denies.

46. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 46 and, on that basis, denies.

47. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 47 and, on that basis, denies.

48. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 48 and, on that basis, denies.

**iv. Yas 1 Did Not Operate the Commodity Pool In the Manner Required By Commission Regulations**

49. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 49 and, on that basis, denies.

50. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 50 and, on that basis, denies.

51. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 51 and, on that basis, denies.

52. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 52 and, on that basis, denies.

53. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 53 and, on that basis, denies.

54. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 54 and, on that basis, denies.

55. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 55 and, on that basis, denies.

56. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 56 and, on that basis, denies.

**v. Brisco Is a Controlling Person of Yas 1**

57. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 57 and, on that basis, denies.

**vi. Brisco Acted as an Agent for Yas 1**

58. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 58 and, on that basis, denies.

**B. YAS 2'S AND BRISCO'S FRAUDULENT SCHEME**

**i. Yas 2's and Brisco's Fraudulent Solicitation**

59. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 59 and, on that basis, denies.



60. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 60 and, on that basis, denies.

61. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 61 and, on that basis, denies.

62. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 62 and, on that basis, denies.

63. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 63 and, on that basis, denies.

64. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 64 and, on that basis, denies.

65. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 65 and, on that basis, denies.

66. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 66 and, on that basis, denies.

**ii. Yas 2 and Brisco Misappropriated Pool Participants' Funds**

67. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 67 and, on that basis, denies.

68. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 68 and, on that basis, denies.

69. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 69 and, on that basis, denies.

70. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 70 and, on that basis, denies.

71. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 71 and, on that basis, denies.

72. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 72 and, on that basis, denies.

**iii. Yas 2 Did Not Operate the Commodity Pool In The Manner Required By Commission Regulations**

73. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 73 and, on that basis, denies.

74. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 72 and, on that basis, denies.

75. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 75 and, on that basis, denies.

76. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 76 and, on that basis, denies.

77. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 77 and, on that basis, denies.

**iv. Brisco Is a Controlling Person of Yas 2**

78. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 78 and, on that basis, denies.

v. **Brisco Is Acting as an Agent for Yas 2**

79. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 79 and, on that basis, denies.

C. **TRAN'S FRAUDULENT SCHEME**

i. **Tran Controlled the Affairs and Finances of the Tran Pools**

80. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 80 and, on that basis, denies.

81. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 81 and, on that basis, denies.

ii. **Trans Accepted Pool Participant Funds Into the Tran Pools' Accounts**

82. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 82 and, on that basis, denies.

83. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 83 and, on that basis, denies.

84. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 84 and, on that basis, denies.

85. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 85 and, on that basis, denies.

86. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 86 and, on that basis, denies.

87. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 87 and, on that basis, denies.

88. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 88 and, on that basis, denies.

89. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 89 and, on that basis, denies.

90. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 90 and, on that basis, denies.

**iii. Tran Misappropriated Pool Participants' Funds**

91. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 91 and, on that basis, denies.

92. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 92 and, on that basis, denies.

93. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 93 and, on that basis, denies.

94. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 94 and, on that basis, denies.

95. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 95 and, on that basis, denies.

96. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 96 and, on that basis, denies.

97. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 97 and, on that basis, denies.

iv. **Tran Did Not Operate the Tran Pools In The Manner Required By Commission Regulations**

98. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 98 and, on that basis, denies.

**D. SAEG GM, STORY, AND SAFRANKO SUBMITTED FALSE STATEMENTS TO THE NFA**

i. **False Statements to the NFA**

99. Story admits that he identified the Tran Pool 1 accounts as operational accounts that contained seed capital for SAEG GM which the firm used to pay invoices and that he identified Tran as a business associate who provided funding to the firm. Story denies the remaining allegations of Paragraph 99. Story affirmatively alleges that he reasonably relied upon the representations of the other defendants that the information Story was providing to the NFA was accurate.

100. Admit.

101. Story admits that SAEG GM provided information and documents to the NFA in response to the NFA's examination. Story lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 101 and, on that basis, denies.

102. Admit.

103. Admit.

104. Admit.

105. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 105 and, on that basis, denies.

106. Admit. Story affirmatively alleges that he reasonably relied upon the representations of the other defendants that the information Story was providing to the NFA was accurate.

107. Deny.

108. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 108 and, on that basis, denies.

109. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 109 and, on that basis, denies.

110. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 110 and, on that basis, denies.

111. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 111 and, on that basis, denies.

112. Deny.

**ii. Story and Safranko Are Controlling Persons of SAEG GM**

113. Story admits that he was an Investment Manager and a Director of SAEG GM and that he was personally involved in communications with the NFA during the examination. Story denies that he prepared and submitted false documents. Story lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 113 and, on that basis, denies.

**iii. Story and Safranko Are Acting as Agents for SAEG GM**

114. Paragraph 114 contains legal conclusions to which no response is required. To the extent a response is required, Story denies.

**V. VIOLATIONS OF THE COMMODITY EXCHANGE ACT  
AND COMMISSION REGULATIONS**

**COUNT ONE**

**Violations of 7 U.S.C. § 6b(a)(2)(A)-(C) and 17 C.F.R. § 5.2(b)(1)-(3) (2022)  
(Against Defendants Yas 1 and Brisco)**

**Violations of 7 U.S.C. § 6b(a)(2)(A) and (C)  
(Against Defendants Yas 2 and Brisco)**

**Fraud in Connection with Retail Forex and Retail Commodity Transactions**

115. Story's responses in Paragraph 1 through 114 are re-asserted and incorporated herein by reference.

116. Paragraph 116 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

117. Paragraph 117 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

118. Paragraph 118 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

119. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 119 and, on that basis, denies.

120. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 120 and, on that basis, denies.

121. Paragraph 121 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

122. Paragraph 122 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

123. Paragraph 123 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

124. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 124 and, on that basis, denies.

125. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 125 and, on that basis, denies.

126. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 126 and, on that basis, denies.

127. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 127 and, on that basis, denies.

128. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 128 and, on that basis, denies.

129. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 129 and, on that basis, denies.

130. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 130 and, on that basis, denies.

131. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 131 and, on that basis, denies.

132. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 132 and, on that basis, denies.

133. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 133 and, on that basis, denies.



134. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 120 and, on that basis, denies.

**COUNT TWO**

**Violations of 7 U.S.C. § 6o(1)(A)-(B)  
(Against Defendants Yas 1, Yas 2, Brico and Tran)**

**Fraud and Deceit by CPOs and an AP of CPOs**

135. Story's responses in Paragraphs 1 through 114 are re-stated and incorporated herein by reference.

136. Paragraph 136 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

137. Paragraph 137 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

138. Paragraph 138 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

139. Paragraph 139 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

140. Paragraph 140 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

141. Paragraph 141 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

142. Paragraph 142 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

143. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 143 and, on that basis, denies.

144. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 144 and, on that basis, denies.

145. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 145 and, on that basis, denies.

146. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 146 and, on that basis, denies.

147. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 147 and, on that basis, denies.

148. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 148 and, on that basis, denies.

149. Paragraph 149 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

150. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 150 and, on that basis, denies.

151. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 151 and, on that basis, denies.

152. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 152 and, on that basis, denies.

153. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 153 and, on that basis, denies.

154. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 154 and, on that basis, denies.

155. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 155 and, on that basis, denies.

156. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 156 and, on that basis, denies.

157. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 157 and, on that basis, denies.

**COUNT THREE**

**Violations of 7 U.S.C. § 6b(a)(2)(A)-(C) and § 6o(1)(A)-(B), and  
17 C.F.R. § 5.2(b)(1)-(3) (2022)  
(Against Defendant Sims)**

**Aiding and Abetting Yas 1's and Brisco's Violations**

158. Story's responses in Paragraphs 1 through 114 are re-stated and incorporated herein by reference.

159. Paragraph 159 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

160. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 160 and, on that basis, denies.

161. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 161 and, on that basis, denies.

162. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 162 and, on that basis, denies.

**COUNT FOUR**  
**Violations of 7 U.S.C. §§ 6k(2) and 6m(1)**

**Violations of 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc) and 6m(1),  
and  
17 C.F.R. § 5.3(a)(2) (2022)  
(Against Defendant Tran)**

**Failure to Register as a CPO and as an AP of a CPO**

163. Story's responses in Paragraphs 1 through 114 are re-stated and incorporated herein by reference.

164. Paragraph 164 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

165. Paragraph 165 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

166. Paragraph 166 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

167. Paragraph 167 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

168. Paragraph 168 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

169. Paragraph 169 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

170. Paragraph 170 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

171. Paragraph 171 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

172. Paragraph 172 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

173. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 173 and, on that basis, denies.

174. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 174 and, on that basis, denies.

175. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 175 and, on that basis, denies.

176. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 176 and, on that basis, denies.

177. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 177 and, on that basis, denies.

178. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 178 and, on that basis, denies.

179. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 179 and, on that basis, denies.

180. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 180 and, on that basis, denies.

181. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 181 and, on that basis, denies.

182. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 182 and, on that basis, denies.

183. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 162 and, on that basis, denies.

**COUNT FIVE**  
**Violations of 17 C.F.R. § 4.20(a)(1), (b)-(c) (2022)**  
**(Against Defendants Yas 1, Yas 2, Brisco, and Tran)**

**Failure to Operate Pool as Separate Entity; Failure to Receive Pool Participant Funds in Pool's Name; Commingling of Pool Funds**

184. Story's responses in Paragraphs 1 through 114 are re-stated and incorporated herein by reference.

185. Paragraph 185 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

186. Paragraph 186 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

187. Paragraph 187 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

188. Paragraph 188 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

189. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 189 and, on that basis, denies.

190. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 190 and, on that basis, denies.

191. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 191 and, on that basis, denies.

192. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 192 and, on that basis, denies.

193. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 193 and, on that basis, denies.

194. Story lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 194 and, on that basis, denies.

**COUNT SIX**  
**Violations of 7 U.S.C. § 13(a)(4)**  
**(Against Defendants of SAEG GM, Story, and Safranko)**

**Willful Submission of False or Misleading Information  
to a Futures Association**

195. Story's responses in Paragraphs 1 through 114 are re-stated and incorporated herein by reference.

196. Paragraph 196 contains a recitation of law to which no response is required. To the extent a response is required, Story denies.

197. Deny.

198. Deny.

199. Deny.

200. Deny.

201. Deny.

**VI. RELIEF REQUESTED**

Story denies each claim for relief asserted by the Commission.

### **AFFIRMATIVE DEFENSES**

Story sets forth below his defenses and affirmative defenses. By setting forth these defenses and affirmative defenses, Story does not assume the burden of proving any fact, issue, or element of a claim where such burden properly belongs to the Commission. Story also reserves the right to allege additional defenses and affirmative defenses as they become known or evolve during litigation.

#### **FIRST AFFIRMATIVE DEFENSE**

The Commission's claims are barred, in whole or in part, because the Complaint fails to state a claim upon which relief can be granted against Story.

#### **SECOND AFFIRMATIVE DEFENSE**

The Commission's claims against Story are barred, in whole or in part, to the extent they are based on the acts or omissions of other parties.

#### **THIRD AFFIRMATIVE DEFENSE**

The Commission's claims against Story are barred, in whole or in part, because Story reasonably relied upon the representations of the other defendants that the information and documentation Story was providing was accurate.

#### **FOURTH AFFIRMATIVE DEFENSE**

The Commission's claims and any remedies sought are barred or reduced to the extent that the Commission seeks relief beyond the applicable statutes of limitations or statutes of response.



**FIFTH AFFIRMATIVE DEFENSE**

The Commission's claims against Story are barred, in whole or in part, because Story's actions were consistent with industry and regulatory standards.

**SIXTH AFFIRMATIVE DEFENSE**

The Commission's claims against Story are barred, in whole or in part, because Story lacked the requisite scienter.

**SEVENTH AFFIRMATIVE DEFENSE**

For the Commission's claims requiring proof of scienter, evidence of recklessness is insufficient to satisfy the scienter requirement.

**EIGHTH AFFIRMATIVE DEFENSE**

The Commission's claims against Story are barred, in whole or in part, because Story acted in good faith at all material times.

**NINTH AFFIRMATIVE DEFENSE**

The Commission's claim for penalties against Story is barred because any alleged violation was unintentional; the harm caused, if any, is insufficient to warrant a penalty; the lack or degree of scienter does not support a penalty; Story has no previous violations; no deterrence purpose would be served; Story acted in good faith; Story cooperated with all investigations; and it would be fundamentally unfair to impose penalties on Story in light of the lack of fair notice that his conduct violated the law.

#### **TENTH AFFIRMATIVE DEFENSE**

The Commission's claims fail to the extent that they seek to impose civil monetary penalties that are inconsistent with the prohibition against the imposition of excessive fines set forth in the Eighth Amendment to the United States Constitution.

#### **ELEVENTH AFFIRMATIVE DEFENSE**

The Commission's claims for injunctive relief are barred because there has been no violation of any applicable rule or regulation, and because there is no reasonable likelihood that any alleged violation will be repeated by Story. The Commission's injunctive relief claim is further barred because the adverse effects of any injunction far outweigh any benefit.

#### **TWELFTH AFFIRMATIVE DEFENSE**

Story incorporates by this reference any and all other defenses asserted by any co-defendants in this matter.

#### **THIRTEENTH AFFIRMATIVE DEFENSE**

Story presently has insufficient knowledge or information regarding whether he may have additional, yet unasserted defenses, and reserves the right to assert further defenses as may become necessary as this case develops.

#### **STORY'S PRAYER FOR RELIEF**

Wherefore, Story respectfully requests that the Court:

- A. Enter judgment in favor of Story and against the Commission on Count Six;
- B. Dismiss the claims asserted against Story with prejudice;
- C. Award Story any fees, including attorney fees and costs, which are allowed by law; and

D. Grant such other and further relief as the Court deems just and proper.

DATED: April 17, 2023.

CLYDE, SNOW & SESSIONS

/s/ Keith M. Woodwell

Keith M. Woodwell  
(Attorney-In-Charge)  
Admitted *Pro Hac Vice*  
Utah Bar No. 7353  
201 South Main Street, Ste. 2200  
Salt Lake City, Utah 84111  
(801) 322-2516

Neil A. Kaplan  
Admitted *Pro Hac Vice*

MUNCH HARDT KOPF & HARR, P.C.

Dennis L. Roossien, Jr.

*Attorneys for Defendant Francisco Story*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 17th day of April 2023, a true and correct copy of the foregoing **DEFENDANT FRANCISCO STORY'S ANSWER TO COMPLAINT** was electronically filed using the CM/ECF filing system, and a copy sent via UPS to the last known address for Defendants Safranko, Tran, and SAEG Capital General Management LP.

/s/ Keith M. Woodwell  
Keith M. Woodwell